

# A SYSTEM OF SUPPORT



# 2008

## ANNUAL REPORT

### FIFTH DISTRICT ADVISORY COUNCIL

The Fifth District Advisory Council works with the Federal Home Loan Bank Board of Directors and staff to address affordable housing and community investment needs in Kentucky, Ohio and Tennessee. In 2008, the Advisory Council collaborated with the FHLBank to help hundreds of homeowners at risk of foreclosure, in addition to serving over 2,000 families through the FHLBank's traditional programs. The FHLBank cooperative network offered a system of support to residents as we faced the challenging year together.

#### ON THE COVER

The Brighton Recovery Center for Women, Florence, Kentucky, is a new transitional housing facility for very low- and low-income women who are chemically dependent. It supports women through a program that teaches them about all aspects of their recovery, from initial withdrawal to living sober as productive members of society.

The \$4.4 million, 28,485-square-foot facility was funded in part through a \$500,000 direct grant from the FHLBank's Affordable Housing Program to FHLBank member First Security Trust Bank, Florence, and nonprofit sponsor Brighton Properties, Newport.

*Top:* Involved with the Brighton Recovery Center project was FHLBank member institution First Security Trust Bank, Florence. **Amy Beck**, Vice President-Business Development, and **Bill Beittler**, President/COO, attended the center's dedication ceremony with other sponsors and supporters on July 16, 2008.

*Middle:* The Brighton Recovery Center for Women, Florence, Kentucky.

*Bottom:* **Karen, Brenda and Rachel** are three members of the Brighton Recovery Center for Women's "first graduating class."

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# A Message to Our Members and Partners

On behalf of the FHLBank Advisory Council (Council), Board of Directors and management, we present the FHLBank's 2008 Advisory Council Annual Report. A review of the past year demonstrates the flexibility and resiliency of the FHLBank's cooperative ownership structure and leadership in providing a system of support, critical to the thousands of families we serve in Kentucky, Ohio and Tennessee.



**Garry D. Watkins** (seated), Chair, 2008 FHLBank Advisory Council; **William Y. Carroll Sr.** (left), Chair, FHLBank Board of Directors Housing and Community Development Committee; and **David H. Hehman** (right), President and CEO, FHLBank.

## AFFORDABLE HOUSING AND LENDING ACCOMPLISHMENTS

The Council is pleased to report yet another record year of financial support to affordable housing programs in the Fifth District, made all the more extraordinary when viewed within the context of the declining housing and financial markets of 2008. The FHLBank committed \$39.2 million to support 4,160 units of targeted housing through the Affordable Housing Program (AHP) and American Dream Homeownership Challenge (American Dream). Within the AHP, the FHLBank provided \$9.3 million in Welcome Home Program grants for downpayments and closing costs. Assisting community development, the FHLBank approved \$234.4 million in low-cost funds through the Community Investment Program, Economic Development Program and Zero-Interest Fund. Nearly 300 FHLBank members participated in one or more FHLBank housing or community development programs in 2008.

Although the FHLBank's established programs operated with reliable efficiency and success, 2008 was anything but predictable. Declining housing markets, business failures and mounting job losses added urgency to the increasing numbers of lower income households facing foreclosure. In response, the Council focused its attention on direct relief to those at the greatest risk of losing their homes. In collaboration with the FHLBank Board's Housing and Community Development Committee and FHLBank management, the Council helped to develop a new foreclosure mitigation initiative, revise an existing program, and prepare for ongoing collaboration to address our housing needs.



### ◆ PRESERVING THE AMERICAN DREAM

The FHLBank's foreclosure mitigation efforts in 2008 were built upon the foundation laid in 2007 with HomeProtect, an Advances (secured lending) program, to extend credit to members at the FHLBank's cost of funds. The Council and Board continued to leverage the FHLBank's existing cooperative structure for new programs in 2008. The experiences of the Council and Board members supported a model that would require budget and foreclosure prevention counseling and instill an urgency for at-risk homeowners to contact their lenders as early as possible when payment problems arise.

The Board approved voluntary funding to support both of these strategies under Preserving the American Dream. Eleven grants totaling \$2.1 million were awarded to consortiums of 77 member lenders and 11 nonprofit housing counseling agencies, reaching residents in over half of the Fifth District's counties. Preserving the American Dream grants were used for counseling agencies to provide loss mitigation workouts with lenders, rescue funds, and financial counseling to homeowners at risk of foreclosure. To address the broader concern of neighborhoods blighted with abandoned homes, the FHLBank modified the scoring criteria in the Affordable Housing Program to give priority to projects in areas with high rates of foreclosure and projects involving reuse of vacant homes and buildings. Ten grants totaling more than \$2.3 million were awarded to projects in high foreclosure areas targeting vacant properties.



FHLBank President and CEO **David Hehman** addresses the audience during the Preserving the American Dream funding announcement in Cincinnati on August 29, 2008.



Ohio housing executives surprised FHLBank Senior Vice President-Housing and Community Investment **Carol Peterson** with an affordable housing lifetime achievement award on November 6, 2008, in Columbus, Ohio, at the Ohio Housing Conference. Present during the ceremony with her were, from left to right: **Doug Garver**, Executive Director, Ohio Housing Finance Agency; **Hal Keller**, President, Ohio Capital Corporation for Housing; **Henry Cisneros**, Executive Chairman, CityView and former HUD Secretary; and **Bruce Murphy**, Executive Vice President, KeyBank and President, Community Development Banking.

### ◆ THE YEAR AHEAD

In the year ahead, the Council anticipates a final rule from the Federal Housing Finance Agency (Finance Agency) providing regulatory flexibility for the use of AHP funds to refinance first mortgages as allowed in the Housing and Economic Recovery Act of 2008. The Council believes the Finance Agency will continue its receptivity to flexible adaptation of existing programs that capitalize on the FHLBanks' cooperative structure. The effective delivery system between District FHLBanks and their members, combined with the wide network of housing partners and state agencies, finds us well positioned to meet the growing challenges in the housing and financial markets.

Respectfully submitted,

**Garry D. Watkins**  
Chair, Advisory Council

**William Y. Carroll Sr.**  
Chair, FHLBank Board of Directors Housing and Community Development Committee

**David H. Hehman**  
President and CEO, FHLBank

# Programs Summary

During 2008, 293 different members participated in one or more of the FHLBank's housing and community development programs. This is an increase over 2007, when 285 members participated. On behalf of the Advisory Council, we would like to thank each member and sponsor for their support of these programs throughout the year.

## AFFORDABLE HOUSING PROGRAM

A total of \$27.4 million in AHP subsidy was awarded to 88 members through two competitive offerings to create 2,029 units of affordable owner-occupied and rental housing. Awarded subsidy includes recaptured and deobligated funds from prior AHP rounds. Since the program's inception in 1990, the FHLBank has accrued a total of \$301.4 million to help create more than 47,000 units of affordable housing.

## WELCOME HOME

A total of \$9.3 million was provided through 197 members as downpayment and closing cost assistance grants to help nearly 2,000 individuals and families purchase affordable homes.

## AMERICAN DREAM HOMEOWNERSHIP CHALLENGE

Seventeen members were awarded \$2.4 million to create 137 homeownership opportunities for minorities and persons with special needs.

## ADDITIONAL PROGRAMS

The Community Investment Program (CIP), Economic Development Program (EDP), and the Zero-Interest Fund (ZIF) encourage members to increase their involvement in housing and community-based economic development. In 2008, \$234.4 million in CIP/EDP/ZIF funding was approved through 37 member institutions.

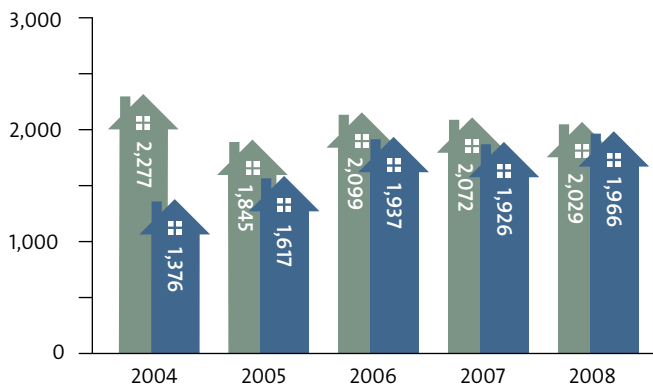


### FHLBANK CINCINNATI AHP/WELCOME HOME

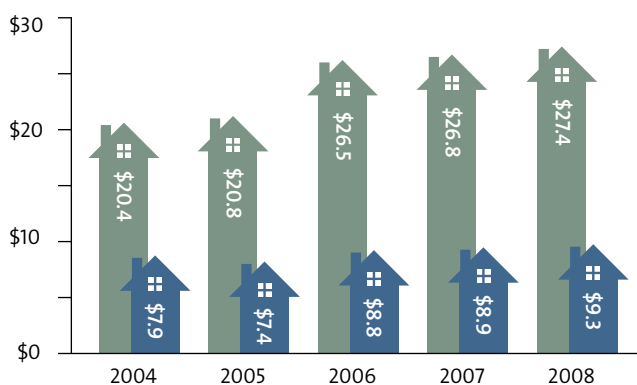
Summary 2004-2008



UNITS FUNDED



SUBSIDY AWARDED (IN MILLIONS)



# Advisory Council



## FRONT ROW, SEATED LEFT TO RIGHT

### Larry R. West

*Executive Director*  
Scott Appalachian Industries  
Huntsville, Tennessee

### Garry D. Watkins (Council Chair)

*Partner*  
Wabuck Development Co.  
Leitchfield, Kentucky

### Jerry Rickett

*President and CEO*  
Kentucky Highlands  
Investment Corp.  
London, Kentucky

## BACK ROW, LEFT TO RIGHT

### Susan E. Weaver

*CEO and Executive Director*  
Community Housing  
Network Inc.  
Columbus, Ohio

### George R. Brown

*Executive Director*  
Clermont Senior Services Inc.  
Batavia, Ohio

### Larry E. Murtaugh

*Executive Director*  
Catholic Charities  
Facilities/Housing Corp.  
Cleveland, Ohio

### Deborah W. Williams

*Executive Director*  
Housing Assistance and  
Development Services Inc.  
(HANDS)  
Bowling Green, Kentucky

### Timothy E. Bolding

*Executive Director*  
United Housing  
Memphis, Tennessee

### Robert Brewster

*Executive Director*  
Brighton Center and  
Brighton Properties  
Newport, Kentucky

### Steven D. Gladman

*President*  
The Affordable Housing Trust for  
Columbus and Franklin County  
Columbus, Ohio

### Alvin J. Nance

*President and CEO*  
Knox Community  
Development Corp.  
Knoxville, Tennessee

### Terry W. Cunningham

*Executive Director*  
Kingsport Housing and  
Redevelopment Authority  
Kingsport, Tennessee

### Stacey D. Epperson

*Executive Director*  
Frontier Housing Inc.  
Morehead, Kentucky

### Mark K. Milligan (Council Vice Chair)

*Principal Owner*  
Passage Management  
Columbus, Ohio

### Marie Williams

*Executive Director, Recovery  
Services and Planning*  
Tennessee Department  
of Mental Health and  
Developmental Disabilities  
Nashville, Tennessee



# Board of Directors

HOUSING AND COMMUNITY  
DEVELOPMENT COMMITTEE



## LEFT TO RIGHT

**Donald R. Ball**  
*Chairman*  
Ball Homes  
Lexington, Kentucky

**B. Proctor Caudill Jr.**  
*Director*  
Kentucky Bank  
Paris, Kentucky

**William J. Small**  
*Chairman and CEO*  
First Federal Bank  
of the Midwest  
Defiance, Ohio

**William Y. Carroll Sr.** (Committee Chair)  
*Chairman of the Board*  
SmartBank  
Pigeon Forge, Tennessee

**Billie W. Wade**  
*CEO*  
Citizens Union Bank  
Shelbyville, Kentucky

**Charles J. Ruma**  
*President and CEO*  
Virginia Homes Ltd.  
Columbus, Ohio



**“There’s so much hope in this building”**

**Rachel**, 45 (left); **Karen**, 37 (middle); and **Brenda**, 47 (right), are three members of the Brighton Recovery Center for Women’s first graduating class. Each is recovering from

substance abuse addiction. The program has four phases: 1) Safe Off the Streets (“SOS”), which helps women through withdrawal; 2) Motivational Tracks, which teaches them the various components of their total recovery; 3) Phase I, which features solutions to the

problems of addiction; and 4) the Transitional Program, where women prepare to live sober as productive members of society. “My life is changing thanks to this program,” said Rachel. “Now I’m learning how to handle everything.” Karen agreed:

“This program has changed the way I think and feel about every aspect of my life,” she said. “Women succeed when they feel supported by those around them, and our group has such a bond. There’s so much hope in this building.”

## Affordable Housing Program Continues to Assist

Since 1990, the FHLBank System’s Affordable Housing Program (AHP) has helped thousands of individuals and families across the United States find safe, decent and affordable housing. As required by Congress, each of the 12 Federal Home Loan Banks in the nation contributes 10 percent of annual net earnings as subsidies – either direct grants or subsidized Advances – for the financing of affordable housing. FHLBank member institutions and nonprofit sponsors work together to create homeownership and rental opportunities for individuals and families.

In the Fifth District, the Cincinnati FHLBank’s AHP includes a 30 percent set-aside for the Welcome Home downpayment assistance program. For the competitive AHP funding and Welcome Home, the FHLBank has accrued more than \$300 million – including \$138.9 million in the last five years alone – to create more than 47,000 units of affordable housing.

### **BRIGHTON RECOVERY CENTER FOR WOMEN FLORENCE, KENTUCKY**

FHLBank member First Security Trust Bank, Florence, and nonprofit sponsor Brighton Properties, Newport, partnered to help develop the Brighton Recovery Center for Women, a 38-unit transitional housing facility for very low- and low-income homeless women who are chemically dependent.

First Security Trust Bank received a \$500,000 grant from the FHLBank’s AHP. The new \$3.3 million complex is one of 10

recovery centers in the Commonwealth, part of a comprehensive state initiative to address chronic homelessness, combat substance abuse and provide an alternative to incarceration.

The Center is equipped to assist up to 100 women through recovery from drug and alcohol dependency, and it promotes social wellness and economic independence. Participants may stay up to two years while they work through the program, which includes securing outside employment and preparing a transition plan for graduation.





*Above: Mr. McCoy (middle) makes a personal visit in June 2008 to the neighborhood-in-progress that bears his name.*



*Below: Each of the nine houses on John G. McCoy Circle is three or four bedrooms and comes with a garage. The homes are valued between \$130,000 and \$150,000.*



*Above: Pictured at the Seniors at Home project groundbreaking in Dunlap, Tennessee, on July 24 were, from left to right: Glenn Barker, Chairman and CEO, Citizens Tri-County Bank; Russell Meade, Founder, CEO and President, New Hope Construction; John Byczkowski,*

*Assistant Vice President-Communications, FHLBank; Howard Hatcher, Executive Director, Sequatchie County/ Dunlap Chamber of Commerce; Dunlap Mayor George Wagner; Diane White, Housing Director, Southeast Tennessee Development District.*



## JOHN G. MCCOY CIRCLE, COLUMBUS, OHIO

FHLBank member Fifth Third Bank, Cincinnati, partnered with nonprofit Greater Columbus Habitat for Humanity to develop John G. McCoy Circle, a nine-house tract in Columbus' North Linden area which features exclusively Habitat homes. The neighborhood was made possible by a \$1.2 million gift from 94-year-old retired banker and philanthropist John G. McCoy. The funding is the largest gift from a living person in Columbus Habitat's 22-year history.

Fifth Third Bank received a \$250,000 grant from the FHLBank's AHP. The 1.5-acre site is more than a scattering of Habitat homes; it is a neighborhood, which promotes neighbor-to-neighbor interaction and relationships.

The neighborhood was built on previously undeveloped land: Columbus Habitat volunteers ran natural gas and electric lines as well as installed sewers and poured street and sidewalk concrete.

## SENIORS AT HOME, DUNLAP, TENNESSEE

Ground was broken on a sunny hillside in July for the second phase of Seniors at Home, a housing development in rural Dunlap, Tennessee, 30 miles northwest of Chattanooga. This program will provide owner-occupied single-family homes for 15 very low-income seniors, including some first-time buyers and some who were homeless. The FHLBank awarded \$669,664 in Affordable Housing Program funds to Citizens Tri-County Bank, for the benefit of New Hope Construction, Inc., to help make the \$1 million project a reality.



*Artist's rendition of completed Seniors at Home dwellings*

## KENTUCKY

## Boyd County

2008 Harbor Hill; Ashland, KY  
**\$340,000 grant, 34 rental units**  
 Citizens Union Bank of Shelbyville,  
 Shelbyville  
 AU Development LLC, Lexington

## Clinton County

Clinton County Self-Help Housing 2008,  
 Phase I; Albany, KY  
**\$34,857 grant, 4 owner-occupied units**  
 Cumberland Valley National Bank and  
 Trust Company, London  
 Kentucky Highlands Investment Corp.,  
 London

## Cumberland County

Keenland Apartments; Burkesville, KY  
**\$477,600 grant, 24 rental units**  
 Monticello Banking Company, Monticello  
 Housing Assistance aNd Development  
 Services Inc. (HANDS), Bowling Green

## Daviess County

Presidents Place; Owensboro, KY  
**\$599,880 grant, 60 rental units**  
 Wilson & Muir Bank & Trust Company,  
 Bardstown  
 Audubon Area Community Services Inc.,  
 Owensboro

## Estill County

Estill Co. Affordable Housing Project  
 Phase VI; Estill County, KY  
**\$149,000 grant, 3 owner-occupied units**  
 Citizens Guaranty Bank, Richmond  
 Kentucky River Foothills Development  
 Council Inc., Richmond

## Fayette County

Briar Hill Acquisition; Lexington, KY  
**\$640,000 grant, 32 rental units**  
 Central Bank & Trust Co., Lexington  
 Bluegrass Domestic Violence Program,  
 Lexington

## Hart County

Hartway Apartments; Munfordville, KY  
**\$556,800 grant, 32 rental units**  
 Wilson & Muir Bank & Trust Co.,  
 Bardstown  
 Housing Assistance aNd Development  
 Services, Inc. (HANDS), Bowling Green

## Henderson County

Habitat for Humanity of  
 Henderson 2008B; Henderson, KY  
**\$33,616 grant, 1 owner-occupied unit**  
 Ohio Valley Financial Group Inc.,  
 Henderson  
 Habitat for Humanity of Henderson, KY,  
 Henderson

WARM Residences; Henderson, KY  
**\$319,936 grant, 32 rental units**  
 The Bank of Henderson Inc., Henderson  
 Henderson Addiction Recovery LLC,  
 Henderson

## Jefferson County

Coventry Commons Phase I; Louisville, KY  
**\$2,400,000 advance, 98 rental units**  
 Citizens Union Bank of Shelbyville,  
 Shelbyville  
 Interlink Counseling Services Inc.,  
 Louisville

Habitat for Humanity of Metro Louisville  
 2008B #2; Louisville, KY  
**\$33,110 grant, 6 owner-occupied units**  
 Republic Bank & Trust Co., Louisville  
 Habitat for Humanity of Metro  
 Louisville, Louisville

Habitat for Humanity of Metro  
 Louisville 2008B #3; Louisville, KY  
**\$77,355 grant, 3 owner-occupied units**  
 Republic Bank & Trust Co., Louisville  
 Habitat for Humanity of Metro  
 Louisville, Louisville

Homes for Kentucky 2008B;  
 Jefferson County, KY  
**\$199,500 grant, 4 owner-occupied units**  
 First Federal Savings Bank of  
 Elizabethtown, Elizabethtown  
 The Housing Foundation Inc., Louisville

St. Vincent de Paul Homes; Louisville, KY  
**\$1,445,081 advance, 54 rental units**  
 Stock Yards Bank & Trust Co., Louisville  
 Society of St. Vincent de Paul, Louisville

## Jefferson, Oldham Counties

Habitat for Humanity of Metro Louisville  
 2008B; Louisville, Crestwood, KY  
**\$121,504 grant, 3 owner-occupied units**  
 Republic Bank & Trust Co., Louisville  
 Habitat for Humanity of Metro  
 Louisville, Louisville

## Kenton County

Foreclosure Mitigation Project,  
 Covington, KY; Covington, KY  
**\$250,000 grant, 10 owner-occupied units**  
 Kentucky Federal Savings and  
 Loan Assoc., Covington  
 Center for Great Neighborhoods  
 of Covington, Covington

## Knox County

Appalachian Children's Home – New Dorm;  
 Barbourville, KY  
**\$187,340 grant, 8 rental units**  
 The Cecilian Bank, Elizabethtown  
 Appalachian Children's Home,  
 Barbourville

## McCracken County

Paducah McCracken Co. HFH 2008B;  
 Paducah, KY  
**\$21,837 grant, 3 owner-occupied units**  
 The Paducah Bank and Trust Co.,  
 Paducah  
 Paducah-McCracken County Habitat  
 for Humanity, Paducah

Paducah McCracken Co. HFH 2008B #2;  
 Paducah, KY  
**\$23,111 grant, 1 owner-occupied unit**  
 The Paducah Bank and Trust Co.,  
 Paducah  
 Paducah-McCracken County Habitat  
 for Humanity, Paducah

## Mercer County

HFH Mercer Co. 2008A; Harrodsburg, KY  
**\$149,295 grant, 3 owner-occupied units**  
 MainSource Bank (1st Independence  
 Bank), Greensburg, IN  
 Habitat for Humanity Mercer  
 County Inc., Harrodsburg



### Montgomery County

*Hillcrest Hall, Mount Sterling, KY;*  
Mount Sterling, KY  
**\$500,000 grant, \$570,523 advance,**  
**16 rental units**  
Community Trust Bank Inc., Pikeville  
Pathways Inc., Ashland

### Perry County

*Homebuyer 2008 Hazard Kentucky;*  
Perry County, KY  
**\$220,000 grant, 12 owner-occupied units**  
First Federal Savings & Loan Assoc.,  
Hazard  
Housing Development Alliance, Inc.,  
Hazard

### Pike County

*Lookout Healthy Families Program,*  
Pike County, KY; Elkhorn, KY  
**\$675,000 grant, 45 rental units**  
Community Trust Bank Inc., Pikeville  
WestCare Kentucky Inc., Ashcamp

### Rowan County

*Morehead Area 2008A; Morehead, KY*  
**\$198,096 grant, 4 owner-occupied units**  
Whitaker Bank, Lexington  
Morehead Area Habitat for Humanity,  
Morehead

### Rowan, Bath, Carter, Elliott, Morgan, Wolfe Counties

*Frontier Housing, Kentucky Bank, and*  
*Commercial Bank Affordable Housing*  
*Project 2008; Rowan, Bath, Carter, Elliott,*  
*Morgan, Wolfe Counties, KY*  
**\$190,000 grant, 10 owner-occupied units**  
Kentucky Bank, Paris  
Frontier Housing Inc., Morehead

### Spencer County

*Spencer County HFH 2008B; Taylorsville, KY*  
**\$10,924 grant, 1 owner-occupied unit**  
The Peoples Bank, Taylorsville  
Spencer County Habitat for Humanity,  
Taylorsville

### Warren County

*HFH Bowling Green Warren Co. 2008B;*  
Bowling Green, KY  
**\$30,070 grant, 1 owner-occupied unit**  
PBI Bank, Louisville  
Habitat for Humanity Bowling Green  
Warren County Inc., Bowling Green

## OHIO

### Butler County

*Shekinah Place; Hamilton, OH*  
**\$677,500 grant, 22 rental units**  
First Financial Bank, N.A., Hamilton  
Serve City, Hamilton

*City of Middletown Home Modification*  
*Program; Middletown, OH*  
**\$150,000 grant, 41 owner-occupied units**  
Fifth Third Bank, Cincinnati  
People Working Cooperatively Inc.,  
Cincinnati

### Clermont County

*Clermont County Home Modification*  
*Program; Clermont County, OH*  
**\$150,000 grant, 21 owner-occupied units**  
RiverHills Bank, Milford  
People Working Cooperatively Inc.,  
Cincinnati

*Goshen Terrace - Fall 2008 - Clermont*  
*County, OH; Goshen, OH*  
**\$156,300 grant, 16 rental units**  
Fifth Third Bank, Cincinnati  
New Housing Opportunities Inc.,  
Lebanon

### Columbiana County

*2008 HFHNCC Salem Build; Salem, OH*  
**\$15,000 grant, 2 owner-occupied units**  
The Home Savings and Loan Co.  
of Youngstown, Ohio, Youngstown  
Habitat for Humanity of Northern  
Columbiana County, Salem

### Cuyahoga County

*Opportunity Housing, Cleveland, 2008;*  
Cuyahoga County, OH  
**\$500,000 grant, 25 owner-occupied units**  
KeyBank, N.A., Cleveland  
The Cleveland Housing Network Inc.,  
Cleveland

### Franklin County

*2009 HFHGC Construction Project;*  
Columbus, OH  
**\$141,750 grant, 15 owner-occupied units**  
Fifth Third Bank, Cincinnati  
Habitat for Humanity-Greater  
Columbus, Columbus

*Commons at Buckingham; Columbus, OH*  
**\$1,000,000 grant, 100 rental units**  
The Park National Bank, Newark  
National Church Residences, Columbus

*Dogwood Glen; Columbus, OH*  
**\$734,500 grant, 42 rental units**  
KeyBank, N.A., Cleveland  
Community Housing Network Inc.,  
Columbus

*At Home On Bulen; Franklin County, OH*  
**\$100,000 grant, 10 owner-occupied units**  
Third Federal Savings and Loan  
Association of Cleveland, Cleveland  
Samaritan Project Development Corp.,  
Columbus

*Franklinton Scattered-site;*  
Franklin County, OH  
**\$179,500 grant, 12 owner-occupied units**  
The Huntington National Bank,  
Columbus  
Franklinton Development Assoc.,  
Columbus

*CHN II Rehab Columbus OH 2008;*  
Columbus, Grove City, Whitehall, OH  
**\$1,000,000 grant, 107 rental units**  
U.S. Bank, N.A., Minneapolis, MN  
Community Housing Network Inc.,  
Columbus

*CHN I Rehab Columbus Ohio 2008;*  
Columbus, Dublin, Upper Arlington,  
Worthington, OH  
**\$1,000,000 grant, 115 rental units**  
U.S. Bank, N.A., Minneapolis, MN  
Community Housing Network Inc.,  
Columbus

### Hamilton County

*Fergus Street Homeownership Project –*  
*Special Needs Housing; Cincinnati, OH*  
**\$43,438 grant, 1 owner-occupied unit**  
The North Side Bank and Trust Company,  
Cincinnati  
Cincinnati Northside Community  
Redevelopment Corporation, Cincinnati

*Friars' Court; Cincinnati, OH*  
**\$365,850 grant, \$800,000 advance,**  
**25 rental units**  
The Huntington National Bank,  
Columbus  
Cornerstone Corporation for  
Shared Equity, Cincinnati



*Harkavy Hall; Cincinnati, OH*  
**\$250,000 grant, 30 rental units**  
 National City Bank, Cleveland, OH  
 Tender Mercies Inc., Cincinnati

*The Magnolia Street Project;*  
 Cincinnati, OH  
**\$900,000 grant, 58 rental units**  
 Fifth Third Bank, Cincinnati  
 City Gospel Mission, Cincinnati

*Odeon Permanent Supportive Housing;*  
 Cincinnati, OH  
**\$987,943 grant, 25 rental units**  
 Union Savings Bank, Cincinnati  
 Over-the-Rhine Community Housing,  
 Cincinnati

*Race HUD 811; Cincinnati, OH*  
**\$40,000 grant, 4 rental units**  
 KeyBank, N.A., Cleveland  
 Resident Home Corp., Cincinnati

*Reclaiming REO's in the Millcreek Valley;*  
 Cincinnati, Elmwood Place, OH  
**\$125,000 grant, 15 owner-occupied units**  
 National City Bank, Cleveland  
 Working In Neighborhoods, Cincinnati

#### Hancock County

*Melrose Efficiency Apartment Complex;*  
 Findlay, OH  
**\$800,000 grant, 16 rental units**  
 The Huntington National Bank,  
 Columbus  
 Hancock County Board of Alcohol, Drug  
 Addiction and Mental Health Services,  
 Findlay

#### Jefferson County

*2008 Home Ownership Steubenville;*  
 Steubenville, OH  
**\$221,540 grant, 5 owner-occupied units**  
 The Huntington National Bank,  
 Columbus  
 Urban Mission, Ministries Inc.,  
 Steubenville

#### Lake County

*2008 Low Income Elderly/Disabled  
 Housing Rehab;*  
 Painesville, Painesville Twp., OH  
**\$200,000 grant, 33 owner-occupied units**  
 National City Bank, Cleveland  
 Lake Communities Development Corp.,  
 Painesville

#### Logan County

*Pratt & Seymour St. Project;*  
 Bellefontaine, OH  
**\$480,000 grant, 12 rental units**  
 The Huntington National Bank,  
 Columbus  
 Logan-Belle H.A.N.D., Bellefontaine

#### Mahoning County

*YWCA of Youngstown; Youngstown, OH*  
**\$1,000,000 grant, 30 rental units**  
 The Huntington National Bank,  
 Columbus  
 Young Women's Christian Association  
 of Youngstown, Ohio, Youngstown

#### Marion County

*Turning Point LT Transitional Housing;*  
 Marion, OH  
**\$100,000 grant, 2 rental units**  
 The Huntington National Bank,  
 Columbus  
 Concerned Citizens Against Violence  
 Against Women Inc. DBA Turning Point,  
 Marion

#### Montgomery County

*DOHH 2008 - B Construction Project;*  
 Dayton, OH  
**\$100,000 grant, 10 owner-occupied units**  
 Dayton Firefighters Federal Credit  
 Union, Dayton  
 Dayton Ohio Habitat for Humanity,  
 Dayton

*Homestart-PSH VII; Dayton, OH*  
**\$100,000 grant, 5 rental units**  
 National City Bank, Cleveland  
 HomeStart Inc, Dayton

*Volunteers of America Homeless Veterans  
 Transitional Housing; Dayton, OH*  
**\$481,304 grant, 50 rental units**  
 Fifth Third Bank, Cincinnati  
 Volunteers of America of Greater Ohio,  
 Brecksville

*2008 Housing First III of Montgomery  
 County; Miamisburg, OH*  
**\$200,000 advance, 8 rental units**  
 KeyBank, N.A., Cleveland  
 Miami Valley Housing  
 Opportunities Inc., Dayton

#### Morrow County

*Mount Gilead North Street; Mount  
 Gilead, OH*  
**\$20,000 grant, 1 owner-occupied unit**  
 The Park National Bank (The First-Knox  
 National Bank of Mount Vernon), Newark  
 Habitat for Humanity of Morrow County,  
 Mount Gilead

#### Portage County

*Harvest Rose; Ravenna, OH*  
**\$400,000 grant, 40 rental units**  
 FirstMerit Bank, N.A., Akron  
 Neighborhood Development  
 Services Inc., Ravenna

*Maplewood Village; Streetsboro, OH*  
**\$490,000 grant, 50 rental units**  
 FirstMerit Bank, N.A., Akron  
 Neighborhood Development  
 Services Inc., Ravenna

#### Seneca County

*Adult Care Facilities - Spring 2008 -  
 Tiffin, OH; Tiffin, OH*  
**\$627,700 grant, 32 rental units**  
 Fifth Third Bank, Cincinnati  
 New Housing Opportunities Inc.,  
 Lebanon

#### Stark County

*Canton Elderly; Canton, OH*  
**\$400,000 grant, 40 rental units**  
 FirstMerit Bank, N.A., Akron  
 Assoc. for Better Community  
 Development Inc. ( ABCD, Inc. ), Canton

*2008 HFHGSCC Build;*  
 Canton, Massillon, OH  
**\$194,877 grant, 20 owner-occupied units**  
 FirstMerit Bank, N.A., Akron  
 Habitat for Humanity of Greater Stark  
 & Carroll Counties, Canton

## TENNESSEE

## Anderson County

*Group Home Rehabilitation Project;*  
Oak Ridge, TN

**\$275,255 grant, 28 rental units**  
Home Federal Bank of Tennessee,  
Knoxville  
Ridgeview Psychiatric Hospital  
& Center Inc., Oak Ridge

## Davidson County

*Timberwood;* Nashville, TN

**\$150,000 grant, 20 owner-occupied units**  
Pinnacle National Bank, Nashville  
Nashville Area Habitat for Humanity,  
Nashville

## Greene County

*Comcare Group Homes - Greene County;*  
Mosheim, TN

**\$160,100 grant, 12 rental units**  
Bank of Tennessee, Kingsport  
Eastern Eight Community  
Development Corp., Johnson City

## Hamilton County

*Orange Grove Rehab;* Chattanooga, TN  
**\$500,000 grant, 74 rental units**  
Cohutta Banking Co., Chattanooga  
Orange Grove Center Inc., Chattanooga

## Henry County

*Women's Shelter Project;* Paris, TN  
**\$78,500 grant, 7 rental units**  
Commercial Bank & Trust Company, Paris  
Damascus Road Inc., Paris

## Knox County

*Breakthrough Phase I;* Knoxville, TN  
**\$179,000 grant, 10 rental units**  
Home Federal Bank of Tennessee,  
Knoxville  
Breakthrough Corporation, Knoxville

## Madison County

*Lansbury Place;* Jackson, TN  
**\$95,375 grant, 2 rental units**  
The Bank of Jackson, Jackson  
Semar Act One, Jackson

## Rutherford County

*2008A Habitat Builds 2008-09;*  
Rutherford County, TN  
**\$149,999 grant, 6 owner-occupied units**  
MidSouth Bank, Murfreesboro  
Habitat for Humanity of Rutherford  
County Area Inc., Murfreesboro

*2009 Rutherford County Habitat Builds,*  
*2008B;* Rutherford County, TN  
**\$450,000 grant, 9 owner-occupied units**  
Pinnacle National Bank, Nashville  
Rutherford County Area Habitat for  
Humanity Inc., Murfreesboro

## Scott, Morgan Counties

*2008 Home Rehabilitation Project;*  
Scott, Morgan Counties, TN  
**\$120,000 grant, 8 owner-occupied units**  
Citizens First Bank, Wartburg  
Appalachia Habitat for Humanity,  
Robbins

*2009 New Construction Project;*  
Scott, Morgan Counties, TN  
**\$138,525 grant, 10 owner-occupied units**  
The First National Bank of Oneida,  
Oneida  
Appalachia Habitat for Humanity,  
Robbins

## Shelby County

*2008 Beers Van Gogh Center for*  
*Excellence;* Memphis, TN  
**\$199,800 grant, 10 rental units**  
First Tennessee Bank, N.A., Memphis  
Tennessee Mental Health  
Consumers Assoc., Nashville

*Synergy Residential Project;* Memphis, TN  
**\$343,151 grant, 92 rental units**  
First Tennessee Bank, N.A., Memphis  
Synergy Treatment Centers, Memphis

## Sumner County

*2009-2010 Habitat Sumner County*  
*Builds, 2008B;* Sumner County, TN  
**\$299,999 grant, 6 owner-occupied units**  
Commerce Union Bank, Springfield  
Habitat for Humanity of Sumner County,  
TN Inc., Gallatin

## Williamson County

*Natchez Neighborhood Revitalization;*  
Franklin, TN  
**\$300,000 grant, 10 owner-occupied units**  
Fifth Third Bank, N.A., Franklin  
United Community Resource  
Foundation Inc., Franklin

## OUT-OF-DISTRICT PROJECTS

## Indiana

*Great Oak Apartments;*  
Monticello (White County)  
**\$350,000 grant, 35 rental units**  
First Financial Bank, N.A., Hamilton, OH  
Quality Housing Development Inc.,  
Yorktown, IN

## Michigan

*Project Rescue Phase III;*  
Holland (Ottawa County)  
**\$1,200,000 grant, 70 rental units**  
National City Bank, Cleveland, OH  
Holland Rescue Mission, Holland, MI

## Washington

*Lake City Court;* Seattle (King County)  
**\$427,750 grant, 76 rental units**  
KeyBank, N.A., Cleveland, OH  
Low Income Housing Institute,  
Seattle, WA



Bowling Green, Kentucky, September 24: (from left to right) **Sally Elmes**, Loan Banking Executive, South Central Bank; **Mike Davenport**, Senior Executive Officer, Monticello Banking Company; **Jim Watkins**, Vice President-CRA Officer, PBI Bank; **Betty Minnehan**, Residential Mortgage Loan Officer, National City Bank; **Randy Pauley**, Senior Vice President, Leitchfield

Deposit Bank and Trust; **Deborah Williams**, Executive Director, Housing Assistance and Development Services; **Chris Young**, Senior Lender, Independence Bank; **Mayor Elaine Walker**, City of Bowling Green; **Judge Executive Mike Buchanon**, Warren County; **Paul Imwalle**, Senior Vice President-Member Services, FHLBank.



Cincinnati, Ohio, August 29: (seated, from left to right) **David Hehman**, President and CEO, FHLBank; **Sister Barbara Busch**, Executive Director, Working in Neighborhoods; **Gretchen Schmidt**, President and CEO, Franklin Savings and Loan Company. (standing, from left to right) **Pat Hart**, Vice President-Lending, Eagle Savings Bank; **Gema Bahns**, Hispanic Initiatives Program Coordinator, Fifth Third

Bank; **Greg Meyers**, Vice President and Chief Lending Officer, Franklin Savings; **Linda Boiman**, Vice President, Mortgage Manager and CRA Officer, North Side Bank and Trust; **Joe Ventre**, Vice President-Residential Lending, Cincinnati Federal Savings and Loan; **Carl Kissinger**, President, Warsaw Federal Savings and Loan; **Nan Cahall**, District Director for Senator George Voinovich (R-OH).

## Helping to Battle Foreclosures

Responding to a need to support mortgage counseling, the Board of Directors in February 2008 created Preserving the American Dream, a voluntary housing program outside of our Affordable Housing Program commitment. Under this program, homeowners could qualify for up to \$3,500 for counseling, foreclosure mitigation and rescue funds, through Fifth District members and nonprofit mortgage counseling agencies. The FHLBank made 11 grants worth \$2.1 million, involving 77 member financial institutions and 11 nonprofit housing agencies – an unprecedented collaboration. The program is structured to encourage at-risk homeowners to seek help early, before they default on payments.



Johnson City, Tennessee, October 22: (left) **Tom Ciresi**, Vice President-Member Services, FHLBank, and **Roy L. Harmon Jr.**, Chairman, President and CEO of Bank of Tennessee.



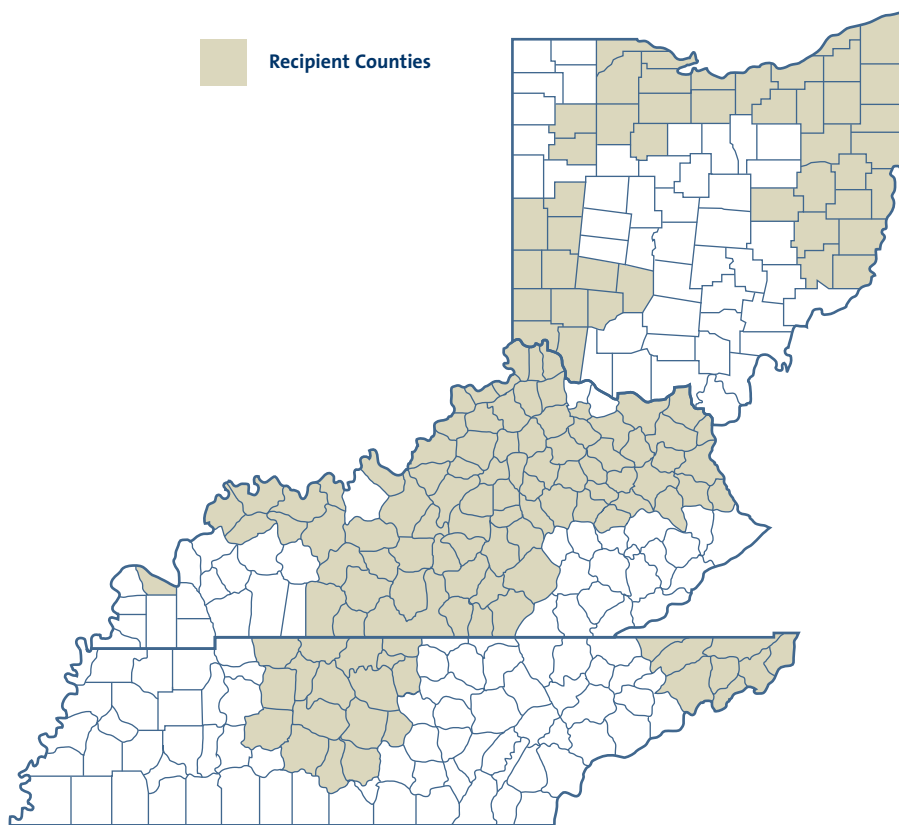
## KENTUCKY GRANTS

**\$100,000****Primary member:** Independence Bank**Sponsor:** Housing Assistance and Development Services**Consortium:** Wilson & Muir Bank & Trust Co.; The Cecilian Bank; South Central Bank of Barren County Inc.; PBI Bank; Leitchfield Deposit Bank and Trust Co.; Monticello Banking Co.; National City Bank**Project Location:** Kentucky counties: Allen, Barren, Butler, Casey, Clinton, Cumberland, Daviess, Edmonson, Grayson, Hancock, Hardin, Hart, Henderson, Logan, McCracken, McLean, Metcalf, Monroe, Nelson, Ohio, Pulaski, Russell, Simpson, Warren, Wayne, and Webster**\$400,000****Primary member:** Republic Bank & Trust Co.**Sponsor:** Community Ventures Corp./The Housing Partnership/FAHE/Frontier Housing**Initial consortium:** The Farmers Bank and Trust Co.; Central Bank & Trust Co.; Liberty Alliance Federal Credit Union; Kentucky Bank**Project Location:** Kentucky statewide (52 of 120 counties)

## OHIO GRANTS

**\$200,000****Primary member:** Fifth Third Bank**Sponsor:** Neighborhood Housing Services**Consortium:** FirstMerit Bank, N.A.; National City Bank; AmTrust Bank; Third Federal Savings and Loan Assoc. of Cleveland; The Huntington National Bank**Project Location:** Ohio counties: Cuyahoga, Erie, Huron, and Lorain**\$200,000****Primary member:** The Franklin Savings and Loan Co.**Sponsor:** Working in Neighborhoods**Consortium:** The Cincinnati Savings & Loan Co.; Cincinnati Federal Savings and Loan Assoc.; The North Side Bank and Trust Co.; Eagle Savings Bank; Warsaw Federal Savings and Loan Assoc. of Cincinnati; Fifth Third Bank**Project Location:** Ohio counties: Butler, Clermont, Hamilton, and Warren; Northern Kentucky**\$200,000****Primary member:** The Genoa Banking Co.**Sponsor:** WSOS Community Action Commission**Consortium:** The First National Bank of Bellevue; The Citizens National Bank of Bluffton; Clyde-Findlay Area Credit Union; First Ohio Credit Union; The Croghan Colonial Bank; Fremont Federal Credit Union; Superior Federal Credit Union; The Marblehead Bank; The National Bank of Oak Harbor; The Citizens Banking Co.; Directions Credit Union; The Commercial Savings Bank**Project Location:** Ohio counties: Allen, Erie, Hancock, Huron, Lucas, Ottawa, Putnam, Sandusky, Seneca, Wood, and Wyandot

## Recipient Counties

**\$200,000****Primary member:** The Huntington National Bank**Sponsor:** Neighborhood Development Services**Consortium:** FirstMerit Bank, N.A.; KeyBank, N.A.; Fifth Third Bank; The Bankers Guarantee Title & Trust Co.; Home Savings Bank; The Home Savings and Loan Co. of Youngstown, Ohio**Project Location:** Ohio counties: Ashtabula, Belmont, Carroll, Columbiana, Coshocton, Lake, Geauga, Guernsey, Harrison, Jefferson, Mahoning, Monroe, Noble, Portage, Trumbull, and Tuscarawas**\$200,000****Primary member:** National City Bank**Sponsor:** Neighborhood Housing Services of Toledo/The Fair Housing Center**Consortium:** KeyBank, N.A.; The Huntington National Bank; Fifth Third Bank; Directions Credit Union**Project Location:** Ohio – Lucas county**\$100,000****Primary member:** Third Federal Savings and Loan Assoc. of Cleveland**Sponsor:** East Akron Neighborhood Development Corp.**Consortium:** North Akron Savings Bank; FirstMerit Bank, N.A.; U.S. Bank, N.A.; National City Bank; The Huntington National Bank; Fifth Third Bank**Project Location:** Ohio counties: Medina, Stark, and Summit**\$200,000****Primary member:** Wright-Patt Credit Union**Sponsor:** St. Mary Development Corp./**Homeownership Center of Greater Dayton Consortium:** National City Bank; Fifth Third Bank; Universal 1 Credit Union; Day Air Credit Union; Liberty Savings Bank, F.S.B.; River Valley Credit Union**Project Location:** Ohio counties: Clinton, Darke, Fayette, Greene, Miami, Montgomery, Preble, and Shelby

## TENNESSEE GRANTS

**\$100,000****Primary member:** Bank of Tennessee**Sponsor:** Eastern Eight Community Development Corp.**Consortium:** State of Franklin Savings Bank  
**Project Location:** Tennessee counties: Carter, Greene, Hancock, Hawkins, Johnson, Sullivan, Unicoi, and Washington**\$200,000****Primary member:** Pinnacle National Bank**Sponsor:** Woodbine Community Organization**Consortium:** U.S. Bank, N.A.; Community Bank & Trust; Citizens Bank; Fifth Third Bank, N.A.; Volunteer State Bank**Project Location:** Tennessee counties: Bedford, Cannon, Cheatham, Davidson, Dickson, Hickman, Macon, Marshall, Maury, Montgomery, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson, and Wilson

## AMERICAN DREAM HOMEOWNERSHIP CHALLENGE



Above left: Pictured at the dedication of **Jimmy Hall's** new home in Rogersville, Tennessee, are, from left to right: owner **Jimmy Hall**; **Colleen Dudley**,



Executive Director, Habitat for Humanity of Tennessee; **Marshall Stubblefield**, Executive Director, Hawkins Habitat for Humanity.

Above right: **Tom Ciresi**, Vice President-Member Services, FHLBank, visits with new homeowner **Zenobia D.** (middle) and **Joan Terry**, SHOW Housing

Director, during the housing fair in Lexington in October.

## American Dream Homeownership Challenge Rewards Innovation

Above and beyond the AHP, the FHLBank increased its commitment to homeownership by establishing a voluntary program, the American Dream Homeownership Challenge. Introduced by the FHLBank Board of Directors in 2003, American Dream provides competitive grants to members that develop innovative homeownership opportunities for minorities and persons with special needs. A member may choose to work alone or in partnership with a nonprofit organization.

During 2008, the Board authorized \$2.5 million in American Dream funds. Seventeen members used this funding to create 137 homeownership opportunities for the program's targeted populations.

### JIMMY HALL HABITAT HOME DEDICATION ROGERSVILLE, TN

FHLBank member First Community Bank of East Tennessee, Rogersville, and nonprofit partner Hawkins Habitat for Humanity, Rogersville, utilized \$80,000 in American Dream grant funds to assist three physically disabled families in becoming homebuyers in Hawkins County. The American Dream funds were used to help reduce the cost of the mortgages. One of the new homeowners is Albert (Jimmy) Hall III, whose house – built on land Jimmy's father owns – was dedicated in a ceremony on June 26, 2008. During construction, a group of students from the University of Idaho in Moscow, Idaho, traveled to Rogersville during spring break to build Jimmy's house. "It looks good; I like it!" exclaimed Jimmy during one of the work days. "My prayers have been answered."

### CHRYSLIS HOUSE HOUSING FAIR/HOMEBUYER DEDICATION, LEXINGTON, KY

FHLBank member Whitaker Bank, Lexington, and nonprofit sponsor Chrysalis House, Lexington, utilized \$50,000 in American Dream grant funds to create the Permanent Service Enriched Homeownership Initiative. The program provides homeownership opportunities for seven low-income women battling mental illness and substance abuse in Fayette County. This initiative was publicized at a housing fair in the community on October 15, 2008, which was sponsored by Supportive Housing Opportunities for Women (SHOW), a Chrysalis House agency. More than 130 clients attended the housing fair, along with 60 exhibitors and guests. During the event, participants recognized new homeowner Zenobia D., who received the keys to her first house on July 29.

## KENTUCKY GRANTS

**Citizens Deposit Bank and Trust, Vanceburg**, \$100,000, partnering with **People's Self-Help Housing Inc.** to help provide energy-efficient, low-maintenance homes to two special needs families in Lewis County

**Citizens Union Bank of Shelbyville**, \$150,000, partnering with **One Knox** to assist six disabled veterans in Bullitt, Hardin, and Jefferson Counties, consistent with Fort Knox's Wounded Warrior Rehabilitation Program

**Community Trust Bank, Pikeville**, \$100,000, partnering with **REACH Inc.** to provide first-time homeownership opportunities to 10 minority families in Fayette County

**First Federal Savings and Loan Assoc., Hazard**, \$200,000, partnering with the **Housing Development Alliance Inc.** to help four physically disabled families living on SSI disability income become homebuyers in Perry County

**First State Financial, Lexington**, \$100,000, partnering with **REACH Inc.** to provide first-time homeownership opportunities to nine minority households in Fayette County

**Home Federal Savings and Loan Assoc., Ashland**, \$80,000, partnering with **Appalachian Foothills Housing Agency Inc.** to provide first-time homeownership opportunities to four homebuyers with special needs in Greenup County

**Kentucky Federal Savings and Loan Assoc., Covington**, \$100,000, partnering with **Housing Opportunities of Northern Kentucky**, the **City of Covington**, and the **Center for Great Neighborhoods** to provide first-time homeownership opportunities to 10 minority households in Kenton County

## OHIO GRANTS

**First Place Bank, Warren**, \$100,000, partnering with **Lorain Metropolitan Housing Authority** to provide first-time homeownership opportunities to help 20 minority Section 8 renters become homebuyers in Lorain County

**The Home Savings and Loan Co. of Youngstown**, \$100,000, to provide first-time homeownership opportunities to 20 minority families in Mahoning, Trumbull and Columbiana Counties

**The Huntington National Bank, Columbus**, \$100,000, partnering with **Columbus Housing Partnership** to provide first-time homeownership opportunities to 10 minority households, by working with the City of Columbus Home Again initiative to identify previously foreclosed homes for occupancy

**KeyBank, N.A., Cleveland**, \$100,000, partnering with **Living Arrangements for the Developmentally Disabled Inc., Cincinnati**, to provide first-time homeownership opportunities to two homebuyers with special needs in Hamilton County

## TENNESSEE GRANTS

**Bank of Tennessee, Johnson City**, \$100,000, partnering with the **Appalachian Regional Coalition on Homelessness** to provide first-time homeownership opportunities to two families with special needs

**Bank of Tennessee, Kingsport**, \$100,000, to provide first-time homeownership opportunities to 10 minority families in five East Tennessee counties

**Carroll Bank and Trust, Huntingdon**, \$200,000, partnering with **Community Action Network Inc.** to help provide first-time homeownership opportunities to five individuals with disabilities living on SSI disability income in six rural west Tennessee counties

**Carroll Bank and Trust, Huntingdon**, \$187,000, partnering with the **Jackson Center for Independent Living** to provide first-time homeownership opportunities to four homebuyers with disabilities in West Tennessee

**Citizens Bank of Lafayette**, \$31,300, partnering with **Nashville Area Habitat for Humanity** to provide a home to a special needs family that lost its home to a tornado

**Home Federal Bank of Tennessee, Knoxville**, \$200,000, to continue a program that provides first-time homeownership opportunities to eight individuals with disabilities in three East Tennessee counties

**Pinnacle National Bank, Nashville**, \$200,000, partnering with **Woodbine Community Organization** to assist with first-time homeownership opportunities for six individuals with mental illness living on SSI disability income in Davidson County

**Tennessee Valley Federal Credit Union, Chattanooga**, \$200,000, partnering with **Chattanooga Neighborhood Enterprise, Inc.** to help provide accessible condominium living to four households with special needs in Hamilton County



**Third Street Exchange, Lexington, Kentucky**

FHLBank member Republic Bank & Trust, Louisville, and nonprofit sponsor Community Ventures Corp. partnered to receive a \$100,000 loan from the FHLBank's Zero-Interest Fund. The loan helped develop the new Third Street Exchange building, located in Lexington's central business district and dedicated on May 20, 2008. The funds assisted with land acquisition and pre-development costs such as environmental testing, surveys and legal matters. Total development costs of the fully urban area project were \$3.5 million.

Previously marked by inner-city blight, outmigration of businesses and residents, high crime rates and environmental degradation, the site has benefited from a five-year redevelopment initiative. The Third Street Exchange is home to such nonprofit organizations as the Center for Entrepreneurs and the Douglass Community Learning Center.



The Third Street Exchange building. (inset) FHLBank Executive Vice President and COO Andy Howell (left) and Kentucky Governor Steve Beshear tour the Douglass Community Learning Center inside the Third Street Exchange at the project dedication.

## Additional Programs

Four additional FHLBank programs are available to members to support their investment in housing and community and economic development: the HomeProtect Program (HomeProtect), Community Investment Program (CIP), Economic Development Program (EDP) and Zero-Interest Fund (ZIF).

**HOMEPROTECT PROGRAM**

To help homeowners facing a prohibitive adjustment in their monthly mortgage payment, the FHLBank created HomeProtect, a fund of \$250 million in low-cost Advances. Members can use these Advances to create refinancing programs for homeowners with high-cost mortgages.

**COMMUNITY INVESTMENT PROGRAM  
ECONOMIC DEVELOPMENT PROGRAM**

The CIP and EDP encourage members to increase their involvement in housing and community-based economic development and revitalization activities in their communities. Both programs provide a discount off regular FHLBank Advance rates.

The CIP is used to provide favorable financing for the acquisition, construction, or rehabilitation of owner-occupied and rental housing. It also provides financing for community economic development, commercial/industrial and small business activities located in specifically-defined areas.

The EDP is used for job creation and retention-related activities or other economic development activities described as commercial,

industrial manufacturing, agricultural, social service, public facility projects and activities, and public or private infrastructure projects such as roads, utilities and sewers. In 2008, \$234.4 million in CIP/EDP/Zero-Interest Fund (see below) funding was approved through 37 member institutions. CIP and EDP funds are both available during the year through a simple application.

**ZERO-INTEREST FUND**

The ZIF supports community economic development and housing development activity by providing "early-in" resources for residential, commercial, and industrial real estate-related projects. It may be used for costs associated with, for example, applications, packaging services, appraisals, architectural drawings, consulting fees, engineering fees, environmental testing, feasibility analyses, legal costs, licensing and permit fees, market studies, infrastructure, and other expenditures normally associated with the development of residential, commercial or industrial real estate-related projects. Funds are provided to members and to projects at zero interest for up to two years.

# Community Lending Programs

For more information on the FHLBank's housing and community investment programs, please contact any of the following staff members:

OBJECTIVE	USES	BENEFICIARIES
<b>AFFORDABLE HOUSING PROGRAM (AHP)</b>		
Creation of owner-occupied and rental housing for low- and moderate-income persons	Finance acquisition, rehab or new construction of owner-occupied or rental housing	Persons with incomes at or below 80% of HUD Area Median Income (AMI)
<b>WELCOME HOME PROGRAM (WHP)</b>		
Assist LMI families in becoming homeowners	Provide members with downpayment and closing costs for owner-occupied housing	Persons with incomes at or below 80% of state housing finance agency Mortgage Revenue Bond (MRB) income limits
<b>AMERICAN DREAM HOMEOWNERSHIP CHALLENGE</b>		
Creation of homeownership units within the Fifth District for minorities and persons with special needs	Fund variety of uses leading to increased number of homeownership units	Minorities and persons with special needs
<b>PRESERVING THE AMERICAN DREAM</b>		
Preservation of homeownership for households facing delinquency or foreclosure	Grant funds to community agencies to provide screening, foreclosure prevention counseling, "rescue funds" and mortgage work-out solutions	KY, OH and TN customers of members of the FHLBank who are facing delinquency or foreclosure
<b>COMMUNITY INVESTMENT PROGRAM (CIP)</b>		
Promote community and economic development and job creation/retention	Owner-occupied or rental housing or economic development in federally designated areas and neighborhoods with incomes at or below 80% of HUD AMI	Owner-occupied housing: income up to 115% of HUD AMI. Rental Housing: at least 51% of units for occupancy by households with incomes up to 115% of HUD AMI. Commercial: same as EDP but only in federally designated areas or in neighborhoods with incomes at or below 80% of AMI.
<b>HOMEPROTECT PROGRAM</b>		
Help maintain homeownership by providing permanent fixed-rate mortgage refinancing	Refinance permanent first mortgages for homeowners facing delinquency or default	Owner-occupied housing: household incomes up to 115% of MRB income limits
<b>ECONOMIC DEVELOPMENT PROGRAM (EDP)</b>		
Promote local economic development and job creation/retention	Finance commercial, industrial, agricultural, small business, public facilities, day care and infrastructure	Small/large businesses; local jurisdictions
<b>ZERO-INTEREST FUND (ZIF)</b>		
Promote housing and business development, job creation/retention	Fund early-in costs for housing, commercial and industrial real estate-related projects located in KY, OH and TN	Businesses and housing

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"housing partnerships" buttons

# Community Lending Programs

OBJECTIVE	USES	BENEFICIARIES	TYPES OF FUNDING	TERMS/ CONDITIONS	APPLICATION DEADLINES
AFFORDABLE HOUSING PROGRAM (AHP)					
Creation of owner-occupied and rental housing for low- and moderate-income persons	Finance acquisition, rehab or new construction of owner-occupied or rental housing	Persons with incomes at or below 80% of HUD Area Median Income (AMI)	Grants	Competitive program; must meet regulatory guidelines	April 1 and September 1, 2009
WELCOME HOME PROGRAM (WHP)					
Assist LMI families in becoming homeowners	Provide members with downpayment and closing costs for owner-occupied housing	Persons with incomes at or below 80% of state housing finance agency Mortgage Revenue Bond (MRB) income limits	Grants up to \$5,000 per unit	Program requirements apply	First-come, first-served basis until funds are fully reserved
AMERICAN DREAM HOMEOWNERSHIP CHALLENGE					
Creation of homeownership units within the Fifth District for minorities and persons with special needs	Fund variety of uses leading to increased number of homeownership units	Minorities and persons with special needs	Grants up to \$100,000 or \$200,000 depending upon eligible household type	Competitive program; geographic limits apply	TBD
PRESERVING THE AMERICAN DREAM					
Preservation of homeownership for households facing delinquency or foreclosure	Grant funds to community agencies to provide screening, foreclosure prevention counseling, "rescue funds" and mortgage work-out solutions	KY, OH and TN customers of members of the FHLBank who are facing delinquency or foreclosure	Grants to members on behalf of established community agencies	Awards based on responses to a competitive process	TBD
COMMUNITY INVESTMENT PROGRAM (CIP)					
Promote community and economic development and job creation/retention	Owner-occupied or rental housing or economic development in federally designated areas and neighborhoods with incomes at or below 80% of HUD AMI	Owner-occupied housing: income up to 115% of HUD AMI. Rental Housing: at least 51% of units for occupancy by households with incomes up to 115% of HUD AMI. Commercial: same as EDP but only in federally designated areas or in neighborhoods with incomes at or below 80% of AMI.	Discounted loans	Income eligibility requirements; eligibility requirements for members	Open window
HOMEPROTECT PROGRAM					
Help maintain homeownership by providing permanent fixed-rate mortgage refinancing	Refinance permanent first mortgages for homeowners facing delinquency or default	Owner-occupied housing: household incomes up to 115% of MRB income limits	Discounted loans	Income eligibility requirements; eligibility and use requirements for members	Open window
ECONOMIC DEVELOPMENT PROGRAM (EDP)					
Promote local economic development and job creation/retention	Finance commercial, industrial, agricultural, small business, public facilities, day care and infrastructure	Small/large businesses; local jurisdictions	Discounted loans	Income eligibility; qualifications may apply	Open window
ZERO-INTEREST FUND (ZIF)					
Promote housing and business development, job creation/retention	Fund early-in costs for housing, commercial and industrial real estate-related projects located in KY, OH and TN	Businesses and housing	Zero-interest funding for 24 months (18 months for housing projects)	Maximum amount of \$100,000	First-come, first-served basis, but members limited to one project approval per calendar year





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